

Committee report

Committee	CABINET
Date	TUESDAY, 13 AUGUST 2013
Title	PERFORMANCE REPORTING
Report to	THE LEADER OF THE ISLE OF WIGHT COUNCIL

EXECUTIVE SUMMARY

1. This report explains the changes that are in hand about the way in which the council manages and reports on performance and risk.

BACKGROUND

2. The Council (and in particular, Cabinet) has, throughout recent times, monitored performance, risk and financial performance through a quarterly performance report which reported progress on the eight corporate priorities set by the previous political administration. This was characterised by:
 - a covering report (effectively an executive summary), which included a 'traffic light' assessment for each key priority;
 - eight 'priority' reports providing a narrative commentary about the latest performance results / issues in relation to them; and
 - a set of 'data reports' which provided detailed data on risks, performance indicators and financial performance.
3. Information was gathered from the council's risk, performance and financial systems, with the intention that they would no longer be viewed in isolation as was previously the case, but instead in an integrated way.
4. Cabinet members who had responsibility for individual corporate objectives were given the opportunity to discuss the results and commentaries set out in the quarterly report with their respective directors before the reports were published. Any issues which needed addressing were highlighted and actions proposed to deal with them.

THE NEED FOR CHANGE

5. Clearly, there have been some ground-shifting changes which inevitably impact on the way in which the council monitors and manages performance, risk and finance going forward, including:

- the election of the new administration with a very different set of policies and objectives
 - the serious failings of the council's safeguarding arrangements as highlighted by Ofsted
 - the continued poor results for children and young people from Island education and the recent findings of the LEA Ofsted review in June
 - as a consequence of both of those issues, a strategic partnership with Hampshire County Council to deliver children's services commenced on 1 July 2013
 - the development of the Highways PFI into its delivery phase
 - the decision by Full Council to adopt 'Framework for Change' as the basis for developing the council's approach to its corporate plan; and
 - the proposal to carry out a fundamental 'Root & Branch' review of council services
6. In addition, there has to be some re-examination of the council's approach to performance management, given the findings of Ofsted on both safeguarding and educational attainment. Whilst it is not sensible to attribute the failings to a lack of robust performance management, it certainly appears to be a significant and potentially critical factor in not highlighting performance concerns early enough. Similar questions need to be asked of the council's risk management processes and how they have failed to be effective in identifying some of the problems. Whatever process, format etc is agreed going forward, it must be fit for purpose compared to what we have done historically. Discussions with colleagues in the strategic partnership with Hampshire County Council will help to inform our approach in the future.
7. The new cabinet has also raised concerns about some areas of performance where, under the 'traffic light' system, there has been a series of results which suggest performance has been 'flat-lining' where they believe action should have been taken to address those issues.

DEVELOPMENT OF FUTURE PROCESS

8. The new format and style will be introduced with effect from the second quarter of this current year which is due to be reported to Cabinet on 12 November. This will allow further development of the administration's priorities into a corporate plan. In the meantime, for the first quarter report, which is now scheduled for the meeting on 10 September, whilst the content and commentaries will reflect the changes highlighted at paragraph 5 above, the layout will, by necessity, look similar to the existing report.
9. Discussions are currently in hand to develop the new format and will continue throughout August and September in preparation for the second quarter's report.
10. The purpose of any performance framework going forward will be to ensure that appropriate and practical arrangements are in place to plan, deliver and review council activities both operationally and at a strategic level in a way which enables us to consistently :
- focus on our priorities
 - monitor whether we are successful in achieving our priorities
 - identify where we need to improve performance

- hold the executive to account for the council's performance
- ensure we provide value for money
- manage performance rather than simply monitor it
- understand how we perform against other local authorities
- enable accountability through transparent reporting of performance
- demonstrate to the community, external inspectors and other stakeholders that we are taking a performance- led approach to managing our business

11. It will be important for cabinet members themselves to contribute to the development of any future performance framework and the reporting format.

STRATEGIC CONTEXT

12. Clearly, the performance report must be linked directly to the administration's key priorities. Performance reporting should be seen as a key part of judging the success or failure of the administration's policies and plans. 'Framework for Change' and the outcomes of the proposed root and branch review will provide the framework for developing those policies and plans.

CONSULTATION

13. Consultation is taking place between directors, other senior managers, senior elected members and colleagues from the Hampshire strategic partnership to ensure that the processes and format for the future are fit for purpose.

FINANCIAL / BUDGET IMPLICATIONS

14. There are no direct financial implications arising from this report, although clearly there is a significant resource required to maintain the processes and input into managing risk and performance. However, experience shows that, relative to the significance, value and strategic importance of the issues, then the level of investment is justified.

LEGAL IMPLICATIONS

15. There are no direct legal implications associated with the report, except that the council has a general duty to achieve best value and to keep its performance under continual review from a value for money perspective. Performance, risk and sound financial management are considered key tenets of good corporate governance.

EQUALITY AND DIVERSITY

16. The council as a public body is required to meet its statutory obligations under the Equality Act 2010. Following an initial screening, it is considered that there are no direct equality and diversity issues of this report.

OPTIONS

17. Option 1 – To continue with the existing format and arrangements for reporting performance.

Option 2 – To develop and adopt a revised format and arrangements for reporting performance

RISK MANAGEMENT

18. The key risk associated with this issue is that the council should recognise the importance of managing performance and risk and the need to maintain its focus on the council's financial performance especially in the light of the council's serious financial position. The council has two strategic risks which reference performance management and risk management as key controls which mitigate their impacts – 'Insufficient Financial Resources' and 'Ineffective decision making and control processes'.

RECOMMENDATION

19. Option 2 – To develop and adopt a revised format and arrangements for reporting performance

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